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FEDERAL MARITIME COMMISSION

Original Title Page

## KL/WHs SPACE CHARTER AND SAILING AGREEMENT

FMC No. \_\_\_\_\_

Expiration Date: Not applicable



TABLE OF CONTENTS

<u>ARTICLE</u>	<u>PAGE</u>
1 - Full Name of the Agreement.....	2
2 – Purpose of the Agreement .....	2
3 – Parties to the Agreement .....	2
4 - Geographic Scope of the Agreement .....	2
5 – Overview of Agreement Authority .....	2
6 – Officials of the Agreement and Delegations of Authority.....	4
7 – Membership, Withdrawal, Readmission and Expulsion.....	4
8 – Voting .....	4
9 – Duration and Termination of the Agreement .....	4
Signature Page .....	4

ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this agreement is the KL/WHS Space Charter and Sailing Agreement (the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to permit the Parties (defined in Article 3) to charter space on vessels, coordinate their sailings, and cooperate in the carriage of cargo in the Trade (defined in Article 4).

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties ("Parties") to this Agreement are:

KAWASAKI KISEN KAISHA, LTD. ("K' Line")  
Iino Building  
1-1, Uchisaiwaicho 2-chome, Chiyoda-ku  
Tokyo, 100-8540 Japan

Wan Hai Lines (Singapore) PTE Ltd. ("WHS")  
10 Hoe Chiang Road, #25-01  
Keppel Towers  
Singapore 089315

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

This Agreement covers the following geographic scope, including inland and coastal points, via direct service or transshipment, which shall be known as the "Trade": The People's Republic of China (including Hong Kong), Japan, and the Pacific Coast of the United States of America.

ARTICLE 5: OVERVIEW OF AGREEMENT AUTHORITY

5.1. The Parties are authorized to charter space in the Trade up to the full reach of a vessel, on vessels owned, chartered, or managed by any Party, or space available to a Party under an agreement with another carrier, on such terms and conditions as the Parties may agree. A Party will take slots in a service in proportion to the capacity it provides in that service, unless otherwise agreed by the Parties. A Party is authorized to transfer to another vessel operating common carrier slots that the transferring Party

controls, so long as such transfer is authorized under the Shipping Act of 1984, as amended ("Shipping Act") and approved in writing by the Party which is the provider of the slot. To facilitate efficient operations under this Agreement, the Parties may discuss and agree upon their space requirements and the availability of such space in vessels owned, chartered, or managed by the Parties, as well as arrangements for chartering or managing vessels, coordination of sailings and port calls, the place and timing of the provision of space; procedures for booking space, for documentation, for special cargo handling instructions or requirements; all matters relating to the transshipment of cargo moving under this Agreement on vessels provided by the Parties or by other carriers; other administrative matters relating to chartering and transportation under this Agreement; and the terms and conditions for the use or interchange of equipment in the carriage of cargo in the Trade. Joint service is not authorized. The following vessels will initially be operated by the parties in a service in the Trade: three vessels from "K" Line, two vessels from WHS, each with an approximate loadable capacity of between 3,800 and 4,200 TEU . The total deployment may be changed to between five and fifteen vessels and the TEU capacities of these vessels by up to fifty percent without amendment of this Agreement and each Party may withdraw its vessel(s) or resign from the Agreement per Article 7.

5.2. Compensation, billing and payment terms and conditions for space chartered pursuant to this Agreement shall be upon such terms and at such hire as the Parties may agree.

5.3. The Parties are authorized to discuss and agree upon arrangements for the use of terminals in connection with the chartering of space, including entering into exclusive, preferential, or cooperative working arrangements with marine terminal operators and any person relating to marine terminal, stevedoring or other shoreside services. Nothing herein authorizes the Parties jointly to operate a marine terminal in the United States.

5.4. The Parties are authorized to exchange information on any matter within the scope of this Agreement and to reach agreement on any and all related administrative and operational functions including, but not limited to, forecasting, terminal operations, stowage planning, insurance, liability, cargo claims, indemnities, the terms of their respective bills of lading, failure to perform and force majeure.

5.5. The Parties are authorized to enter into agreements about routine operational or administrative matters to implement this Agreement. Any further agreement which does not concern operational or administrative matters shall not go into effect unless filed and effective under the Shipping Act.

5.6. A Party may discuss and agree on operational matters of common interest with any party to the COSCON/KL/YMUK Hanjin Worldwide Slot Allocation and Sailing Agreement (FMC No. 011794), if such party is using a slot provided by such Party under this Agreement.

ARTICLE 6: OFFICIALS OF THE AGREEMENT AND DELEGATIONS OF  
AUTHORITY

The following shall have the authority to sign and file this Agreement with the Federal Maritime Commission and any modification and to delegate the same: (a) any authorized officer or official of a Party; and (b) legal counsel for a Party.

ARTICLE 7: MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

See Article 9.

ARTICLE 8: VOTING

Not applicable.

ARTICLE 9: DURATION AND TERMINATION OF THE AGREEMENT

This Agreement shall take effect on the date it becomes effective under the Shipping Act and shall remain in effect until terminated by mutual agreement of the Parties or upon written notice of termination from one Party to the other Party as separately agreed in the two parties' implementing agreement. The foregoing is without prejudice to any Party's remedies for breach of this Agreement.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the 10<sup>th</sup> day of April, 2012.

KAWASAKI KISEN KAISHA, LTD.

Wan Hai Lines (Singapore) PTE Ltd.

By: Robert B. Yoshitomi  
Name: Robert B. Yoshitomi  
Title: Legal counsel

By: Robert B. Yoshitomi  
Name: Robert B. Yoshitomi  
Title: Legal counsel